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May 9, 2006



The Honorable Gregory M. Sleet
U. S. District Court for the
District of Delaware
844 North King Street, Room 4209
Lock Box 18
Wilmington, DE 19801

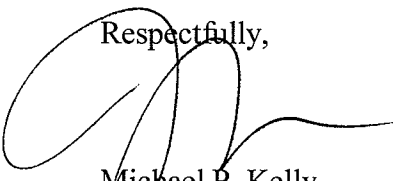
Re: City of Tacoma v. Worldgate Communications, Inc.
C.A. No. 05-00062-GMS

Dear Judge Sleet:

I am pleased to report that the parties to this case have settled their dispute. Counsel hope to file soon a Stipulation of Dismissal.

I am available at the Court's convenience to answer any questions Your Honor may have.

Respectfully,



Michael P. Kelly
L.D. #2295

MPK/mrh

cc: Adam L. Balick, Esq.
John F. Schultz, Esq.

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